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REVIEW OF THE IMPLEMENTATION OF THE CONVENTION AND OF DECISIONS OF THE FIRST SESSION OF THE CONFERENCE OF THE PARTIES

DEVELOPMENT AND TRANSFER OF TECHNOLOGIES (ARTICLE 4.1(C) AND 4.5)

Follow-up report on technological issues

Note by the secretariat

I. INTRODUCTION

A. Mandate

1. The Conference of the Parties (COP), at its first session, by its decision 13/CP.1,* decided, *inter alia*, to review at the second session of the COP and at each session thereafter, the implementation of Article 4.5 and 4.1(c) of the Convention. By the same decision, it requested the secretariat to provide an itemized progress report on concrete measures taken by the Parties listed in Annex II to the Convention, with respect to their commitments related to the transfer of technologies and know-how. It also requested the secretariat to prepare an inventory and assessment of technologies and know-how. These documents were to be submitted through the Subsidiary Body for Scientific and Technological Advice (SBSTA) and to be updated regularly for consideration at each future session of the COP.

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* For decisions adopted by the Conference of the Parties at its first session, see document FCCC/CP/1995/7/Add.1.

2. The COP also decided to provide continuous advice to improve the operational modalities for effective transfer of technology, and to support and promote the development of endogenous capacities and appropriate technology relevant to the objective of the Convention in developing countries which are Parties to the Convention.

3. Having considered a document prepared by the secretariat on technology inventory and assessment (FCCC/SBSTA/1996/4 and Add. 1 and 2), the SBSTA, at its second session, requested the secretariat to undertake a number of activities related to inventorying and assessing environmentally sound and economically viable technologies and know-how conducive to mitigating and adapting to climate change (FCCC/SBSTA/1996/8). In this regard, the SBSTA requested the secretariat to:

(a) Identify existing sources of, as well as gaps in, information concerning technology information centres, with a view to developing a plan for setting up specialized technology information centres that could include, *inter alia*, sources of financing, preparation of comprehensive catalogues, dissemination of information and assessment of suitable technology;

(b) Conduct a survey in order to identify the needs of Parties for information on technologies and know-how to mitigate and adapt to climate change, to prepare a programme of work, and to report on the progress on these at the third session of the SBSTA. Such a work programme could consider among its elements options for future development of a database and assessment of technology and should be elaborated in cooperation with other relevant United Nations agencies and other organizations and institutions;

(c) Prepare an initial catalogue of adaptation technologies and know-how, including information on their costs, environmental impacts, implementation requirements, probable time-frames for their introduction and utilization, and other characteristics for consideration by the SBSTA before the third session of the COP, and, on this matter, coordinate its activities with the Intergovernmental Panel on Climate Change (IPCC);

(d) Prepare a paper, in view of decision 13/CP.1, on the terms of transfer of such technologies and know-how.

4. The Subsidiary Body for Implementation (SBI), at its second session, took note of the conclusions of the SBSTA concerning the preparation of a paper on information regarding the terms of transfer of technology and know-how, and stressed the need to give greater clarity and content in the preparation of this paper to the terms and mechanisms of technology transfer (FCCC/SBI/1996/9).

5. The SBI also recognized the complementarity of the roles of the public and private sectors with regard to technology transfer. It urged Annex II Parties to continue to take concrete steps to promote technology transfer. It further urged all Parties, in particular Annex II Parties, to improve the enabling environment for private sector participation in particular, and to support and promote the development of endogenous capacities and

appropriate technology relevant to the objectives of the Convention, pursuant to the relevant articles of the Convention and decision 13/CP.1. The SBI agreed to provide continuous advice to improve the operational modalities for effective transfer of technology. Furthermore, it requested the secretariat to prepare a report, after consultations with relevant United Nations agencies and other organizations and institutions, on technology transfer cooperation by the private sector for consideration by the SBI, preferably in time for COP 3, but no later than COP 4.

B. Scope of the note

6. This note provides an overview of action taken so far by the secretariat in response to the above requests and indicates how it intends to proceed. Recent additions to the technology inventory database can be found in document FCCC/SBSTA/1996/4/Add.2. Comments from Parties regarding the tasks indicated above can be found in FCCC/SBSTA/1996/MISC.4.

C. Possible action by the COP and the subsidiary bodies

7. The COP may wish to refer technology issues, including the transfer of technology, to the SBSTA and the SBI, for advice. Taking into account their division of labour (FCCC/SB/1995/INF.1), the SBSTA may wish to focus on the items under sections II (A), (B) and (C) below, and the SBI on items under sections II (D) and (E).

8. When considering these issues, the subsidiary bodies may wish to bear in mind the implications of these tasks for the secretariat and its budget. The five additional tasks as identified will place additional demands upon the capacity of the secretariat to provide analytical support for the Convention bodies and will also draw upon the secretariat's budget for expert groups and consultants. Given their broad scope and their interrelationships, these tasks would need to be pursued step by step during the period until the fourth session of the COP. Consequently, priorities will need to be set.

9. The SBSTA and the SBI are invited to evaluate the contribution which each of these additional tasks is expected to make to the actual implementation of policies and measures, or how they would otherwise support, in a practical way, the implementation of the Convention. On this basis, these bodies may identify priorities for these tasks. The subsidiary bodies may wish to keep the programme of work on technology issues under regular review at future sessions.

10. As appropriate, the SBSTA and the SBI may wish to request Parties to provide further comments and information to the secretariat on the different subjects. In addition, the SBI may wish to encourage inputs from the private sector on the report identified in section II (E).

II. STATUS OF ACTIVITIES UNDER WAY TO IMPLEMENT THE ADDITIONAL TASKS

11. The secretariat intends to continue its work on the technology inventory database in line with the request of the COP. Furthermore, it is undertaking work on five additional tasks, described in sections A to E below.

A. Technology information centres

Mandate

12. See paragraph 3 (a) above.

Activities

13. The secretariat could provide an initial paper on this subject at the fourth or fifth session of the SBSTA. In this regard, it is taking note of the activities under way within the climate technology initiative of the Organisation for Economic Co-operation and Development (OECD) on "Energy technology networking and capacity building". In a related activity, the secretariat has taken initial steps to look into the feasibility of providing assistance to countries wishing to set up national climate convention home pages on the Internet to facilitate the transfer of information within and between Parties (see FCCC/SBI/1996/10, paragraph 9).

B. Technology information needs

Mandate

14. See paragraph 3 (b) above.

Activities

15. The secretariat has taken note of the recent initiative of the Governments of Switzerland and the Netherlands, in conjunction with experts from developing countries, to develop a methodology for assessing the technology information needs of developing countries.[1] The secretariat is exploring the feasibility of developing a survey instrument based on this methodology and of applying the survey to developing countries and countries with economies in transition. It will report the results to, and develop a programme of work for consideration by the SBSTA.

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[1] "Working report of the international expert meeting on the assessment of technology needs for sustainability", Scheveningen, The Hague, Netherlands, 5-7 February 1996.

C. Adaptation technology

Mandate

16. See paragraph 3 (c) above.

Activities

17. If feasible in time before the fourth or fifth session of the SBSTA, the secretariat intends to convene a meeting of experts to provide advice on this subject and will then make a progress report on the matter.

D. Terms of transfer of technology and know-how

Mandate

18. See paragraph 3 (d) above.

Activities

19. The secretariat has identified a number of topics that could be addressed in a study, if data are available. This study would be limited to those aspects of the terms of technology transfer that are related to environmentally sound technologies and know-how necessary to mitigate, and facilitate adaptation to, climate change. This limitation should be borne in mind in considering the following examples of topics: recent estimates of the investment needs for the energy, agriculture, forest, industry, transport, and waste management sectors as related to efforts to mitigate or adapt to climate change in different developing countries, countries with economies in transition and regions; trends of direct foreign investment in developing countries and how it varies among countries and sectors; terms, conditions, and financial criteria employed by multilateral lending institutions, bilateral programmes, and private sector banks; types of instrument: loans, bonds, equity, and private capital; and enabling conditions in developed and developing countries to encourage foreign direct investment in the latter. The subsidiary body considering this issue may wish to consider this preliminary list with a view to providing guidance to the secretariat, in particular, as to whether these topics are relevant to such a study and whether additional issues need to be examined. In giving such guidance, this subsidiary body may wish to take account of the relevant work of other institutions and consider whether the secretariat or another institution is best equipped to prepare such a study.

20. In preparing to respond to the request and in order to avoid duplication with the work of other organizations, the secretariat contacted several multilateral institutions for information. In response, the World Bank provided bibliographic information on its studies related to technology transfer. The World Bank study entitled "World Debt Tables 1996" may be of particular interest to Parties, since it analyses debt and non-debt financial flows to developing countries and provides statistical information for 136 countries that report public

debt.[2] From the Commission on Sustainable Development, the secretariat received a report[3] that provides information on the outlook for forest development as regards financing and technology, with particular reference to international cooperation. In addition, the secretariat is taking note of the activities of OECD in support of the Ad Hoc Group on the Berlin Mandate (AGBM) process, which includes assembling information on financing energy efficiency in countries with economies in transition. The secretariat also obtained several reports from the United Nations Conference on Trade and Development (UNCTAD), including one document entitled "Review of work of the United Nations system and selected organizations dealing with investment-related technology issues". This document, in the view of the secretariat, provides an excellent overview of the activities of various United Nations organizations and agencies. The secretariat has reproduced it in English as a conference room document.[4]

E. Private sector technology transfer

Mandate

21. The SBI requested the secretariat to prepare a report after consultation with relevant United Nations agencies and other organizations and institutions, on technology transfer cooperation by the private sector for consideration by the SBI, preferably in time for the third session of the COP, but not later than the fourth session.

22. In document FCCC/SBSTA/1996/9, on revised guidelines for national communications, the secretariat has proposed a format for the provision of information by Annex I Parties about private sector activities related to technology transfer. If this format is adopted by the SBSTA, the information communicated by Parties could be one of the bases for a report. In addition, direct input by the private sector would be useful.

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[2] *World Debt Tables 1996*, volumes I and II, World Bank, Washington, D.C., ISBN 0-8213-3302-X (via internet at http://www.worldbank.org/html/extpb/wdt96.htm).

[3] "International cooperation in financial assistance and technology transfer for sustainable forest management", United Nations Economic and Social Council, Commission on Sustainable Development, Ad Hoc Intergovernmental Panel on Forests, document E/CN.17/IPF/1995/5.

[4] This document is part of a full report entitled "Compendium of documents and reports relating to the work of the UNCTAD Ad Hoc Working Group on the Interrelationship between Investment and Technology Transfer", United Nations Conference on Trade and Development, Geneva, 1995, ISBN 92-1-112382-8.